

# McDonald's Corporation

Investor Overview



# Important Disclaimers

This presentation contains financial measures that are not calculated in accordance with generally accepted accounting principles in the United States ("GAAP"), including Systemwide sales, free cash flow conversion and adjusted operating margin. Systemwide sales include sales at all restaurants, whether operated by us or by franchisees. Free cash flow conversion is free cash flow (cash provided by operations, less capital expenditures) divided by net income. Adjusted operating margin is defined as non-GAAP operating income (operating income adjusted for certain special gains and charges) divided by total revenues. More information about these non-GAAP financial measures, including why management believes they provide useful information to investors, can be found in our filings with the Securities and Exchange Commission (the "SEC"). See the Appendix to this presentation for reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP.

Outlook has been excerpted from our Annual Report on Form 10-K filed with the SEC on February 24, 2026 ("Form 10-K"). Outlook comprises forward-looking statements that reflect current expectations, are not guarantees of performance and speak only as of the date of the respective Form 10-K filing. You should not unduly rely on forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include those reflected under "Risk Factors" in the Form 10-K and elsewhere in our filings with the SEC.

Website links included in this presentation are for convenience only. Information contained on or accessible through such website links is not incorporated in, and does not constitute a part of, this presentation.

# McDonald's strategic evolution...

1950s



**Kroc meets brothers Dick and Mac McDonald** at their restaurant in San Bernardino

**Kroc becomes the national franchising agent** for the McDonald brothers

**Kroc forms McDonald's System, Inc.** to issue McDonald's franchises under license from the McDonald brothers

**100 millionth hamburger sold** by McDonald's

1960s, 1970s & 1980s



**McDonald's Corporation buys the exclusive rights** to the McDonald's name and operating system from the McDonald brothers

**First location outside the U.S.** opens

**McDonald's expands globally** to Tokyo, Amsterdam, Munich, and Sydney

**The Big Mac, Egg McMuffin, Happy Meal, and Chicken McNuggets** are invented and launched

**The first drive thru** opens

# ...continues to meet customer needs over time

1990s & 2000s



**The McFlurry** is invented and launched in Canada  
**Accelerated unit growth** with continued international expansion  
**Plan to Win** corporate strategy to focus on exceptional customer experience  
**Dollar Menu** value offerings  
**i'm lovin' it** marketing campaign launches  
**McCafé** is invented and launched in Australia

2010s & 2020+



**Turnaround plan announcement** (re-franchising, cost savings)  
**Velocity Growth Plan** corporate strategy to focus on Digital, Delivery, and U.S. Experience Of The Future  
**Accelerating the Arches** corporate strategy to focus on Brand and M-C-D growth pillars: Marketing, Core, Digital, Delivery, Drive Thru and Development  
**Loyalty Program** launches and rapidly expands to 70 markets around the globe

# McDonald's Senior Leadership Team



**Chris Kempczinski**  
President and Chief Executive Officer  
10 Years at McDonald's



**Warren Anderson**  
Senior Vice President,  
Global Chief Supply Chain Officer  
15 Years at McDonald's



**Jon Banner**  
Executive Vice President,  
Global Chief Impact Officer  
3 Years at McDonald's



**Dario Baroni**  
President, IDL  
9 Years at McDonald's



**Ian Borden**  
Executive Vice President,  
Global Chief Financial Officer  
30 Years at McDonald's



**Tiffanie Boyd**  
Executive Vice President,  
Global Chief People Officer  
5 Years at McDonald's



**Joe Erlinger**  
President,  
McDonald's USA  
23 Years at McDonald's



**Morgan Flatley**  
Executive Vice President,  
Global Chief Marketing Officer  
and New Business Ventures  
9 Years at McDonald's



**Jill McDonald**  
Executive Vice President,  
Global Chief Restaurant Experience Officer  
12 Years at McDonald's



**Desiree Ralls-Morrison**  
Executive Vice President,  
Global Chief Legal Officer  
5 Years at McDonald's



**Emily Reasor**  
Senior Vice President,  
Global Chief Strategy Officer



**Brian Rice**  
Executive Vice President,  
Global Chief Information Officer  
3 Years at McDonald's



**Manu Steijaert**  
President, IOM  
23 Years at McDonald's

# McDonald's Board of Directors Roster and Committees



## Chris Kempczinski

**Chairman of the Board**  
President and CEO,  
McDonald's Corporation  
Executive\*  
Director Since: 2019



## Anthony Capuano

President and CEO,  
Marriott International, Inc.  
Compensation, Corporate Responsibility  
Director Since: 2022



## Kareem Daniel

Former Chairman,  
Disney Media and Entertainment Distribution  
Audit & Finance, Compensation  
Director Since: 2022



## Lloyd Dean

Chief Executive Emeritus and Founding Executive,  
CommonSpirit Health  
Compensation\*, Executive, Governance  
Director Since: 2015



## Catherine Engelbert

Commissioner,  
Women's National Basketball Association  
Audit & Finance\*, Corporate Responsibility, Executive  
Director Since: 2019



## James Farley, Jr.

President and CEO,  
Ford Motor Company  
Audit & Finance, Corporate Responsibility  
Director Since: 2026



## Margaret Georgiadis

Co-Founder and CEO,  
Montai Therapeutics  
Audit & Finance, Governance  
Director Since: 2015



## Mike Hsu

Chairman and CEO,  
Kimberly-Clark  
Audit & Finance, Corporate Responsibility  
Director Since: 2024



## Jennifer Taubert

EVP and Worldwide Chairman – Innovative Medicine,  
Johnson & Johnson  
Audit & Finance, Compensation  
Director Since: 2022



## Paul Walsh

Executive Chairman,  
McLaren Group Limited  
Corporate Responsibility\*, Executive, Governance  
Director Since: 2019



## Amy Weaver

Former President and CFO,  
Salesforce, Inc.  
Audit & Finance, Governance  
Director Since: 2022



## Miles White

**Lead Independent Director**  
Former Executive Chairman and CEO,  
Abbott Laboratories  
Governance\*, Compensation, Executive  
Director Since: 2009

# McDonald's



**45K+**

**Restaurants**



**2.5M**

**People**

Working for McDonald's  
or Franchisees



**100+**

**Countries**



**~72 Million**

**Customers**

Served every day



# The McDonald's System

The three-legged stool of McDonald's franchisees, suppliers, and employees

## Franchisees



**~95% of McDonald's restaurants are locally owned** and operated, providing the entrepreneurial spirit of local business owners

## Suppliers



Many recognize McDonald's as having the **most integrated, efficient and innovative supply system** in the food service industry

## Employees

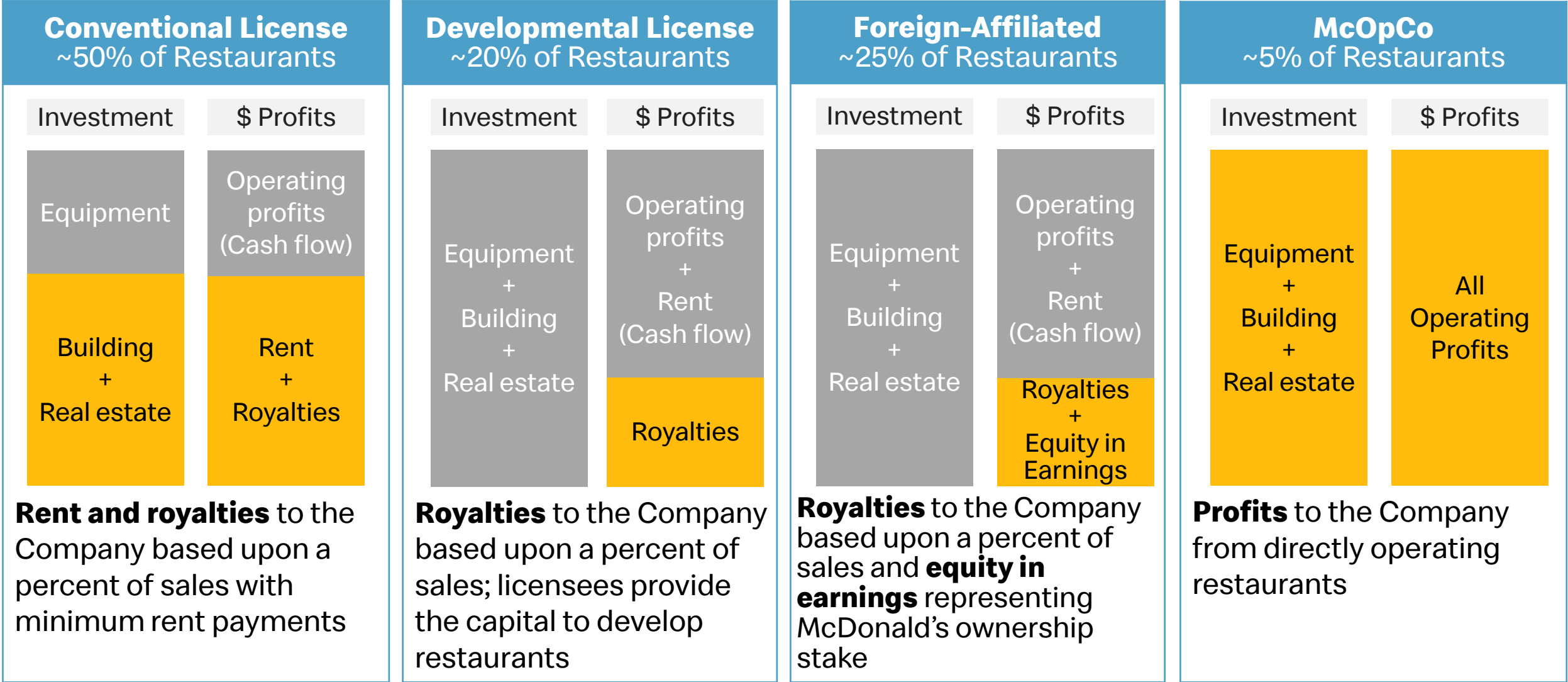


**1 in 8 Americans have worked at a McDonald's restaurant**, learning skills that can go wherever they go

The balance of interests among the three groups is essential to McDonald's success

# McDonald's Business Model

Revenues from rent, royalties and initial fees and profits from directly operating restaurants



**Rent and royalties** to the Company based upon a percent of sales with minimum rent payments

**Royalties** to the Company based upon a percent of sales; licensees provide the capital to develop restaurants

**Royalties** to the Company based upon a percent of sales and **equity in earnings** representing McDonald's ownership stake

**Profits** to the Company from directly operating restaurants

■ McDonald's    ■ Franchisee

# McDonald's Global Business Operates Under 3 Segments

U.S., Intl Operated Markets, and Intl Developmental Licensed Markets & Corporate

## U.S. Market



**McDonald's largest market** in terms of Systemwide sales

## International Operated Markets (IOM)



**19+ markets** or countries including Australia, Canada, France, Germany and the U.K.

## International Developmental Licensees & Corporate (IDL)

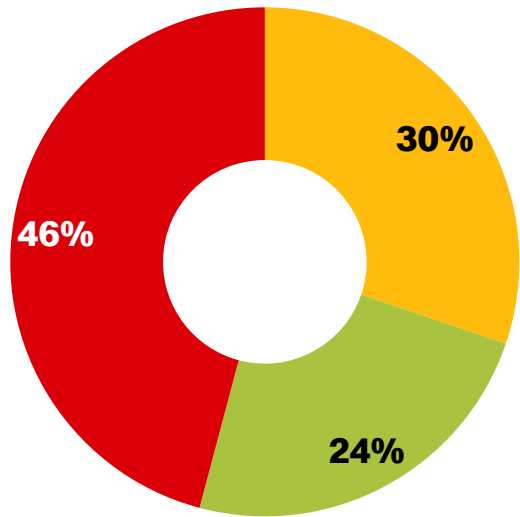


**75+ markets** or countries including Brazil, China and Japan

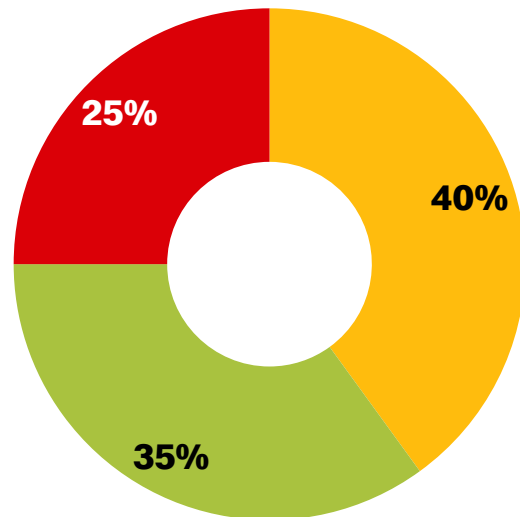
For a complete list of markets and store counts, see the Supplemental Information on the [Financial Information](#) page of the McDonald's Investor Relations website

# McDonald's Segment Breakdown

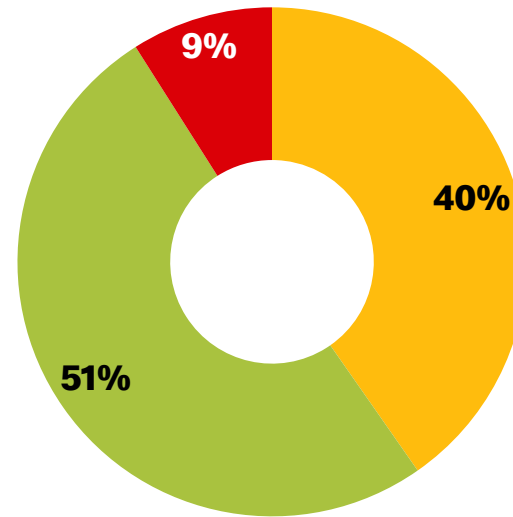
U.S. and IOM segments are ~90% of FY'25 revenue and adj. operating income\*\*\*



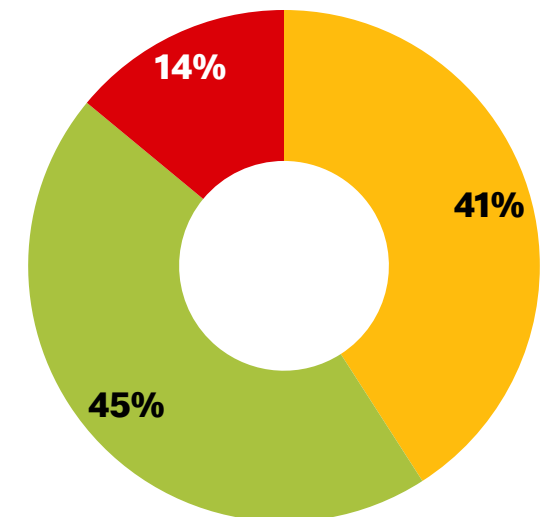
**Restaurants\***



**FY'25 Systemwide Sales\*\***



**FY'25 Revenues**



**FY'25 Adj. Operating Income\*\*\***



\* As of 12/31/2025

\*\* Systemwide sales is a non-GAAP financial measure. There is no directly equivalent GAAP measure. See "Important Disclaimers" for more information

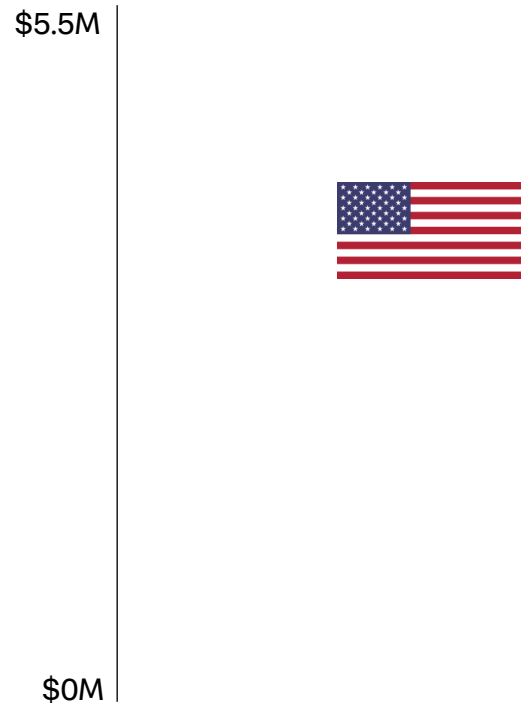
\*\*\* Excludes Corporate activities from IDL segment. Adjusted operating income consists of approximately 30% U.S. Dollars and 70% International currencies, of which approximately 70% is in EUR, GBP, AUD, and CAD. Adjusted operating income is a non-GAAP financial measure. The equivalent GAAP measure is operating income. See the reconciliations at the end of the deck and "Important Disclaimers" for more information

# U.S. Segment

Unrivaled drive-thru presence and strong unit economics with a 95% franchised ownership mix\*

## Average Unit Volumes\*

(In millions U.S. \$)

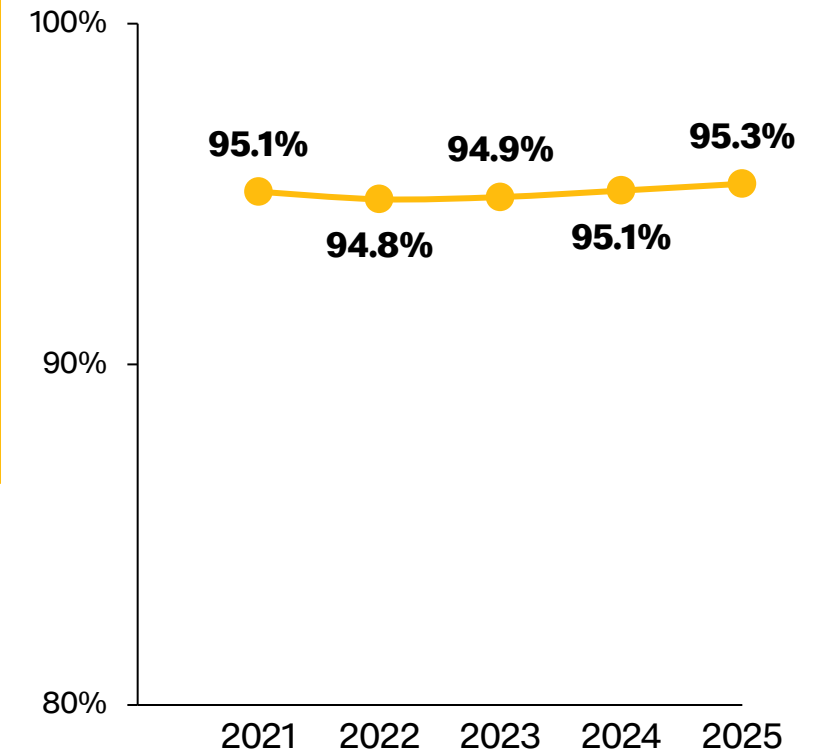


## % Drive Thru Restaurants\*



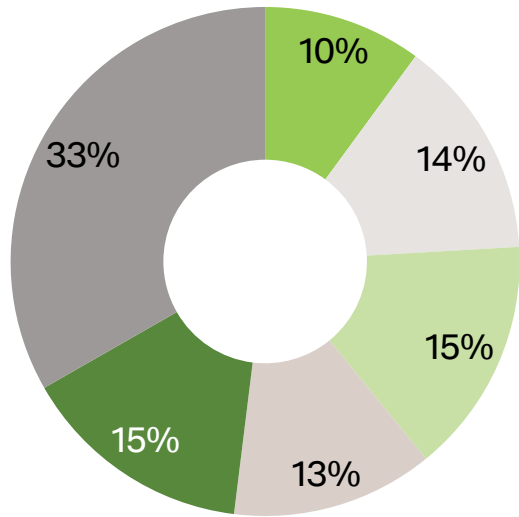
**>95% of Restaurants**  
have a Drive Thru

## % Franchised Restaurants

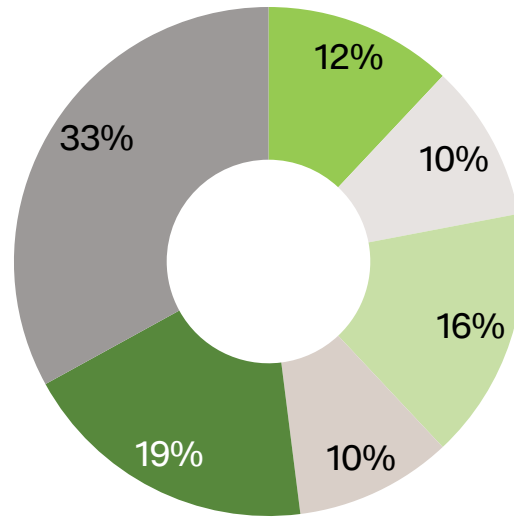


# IOM Segment

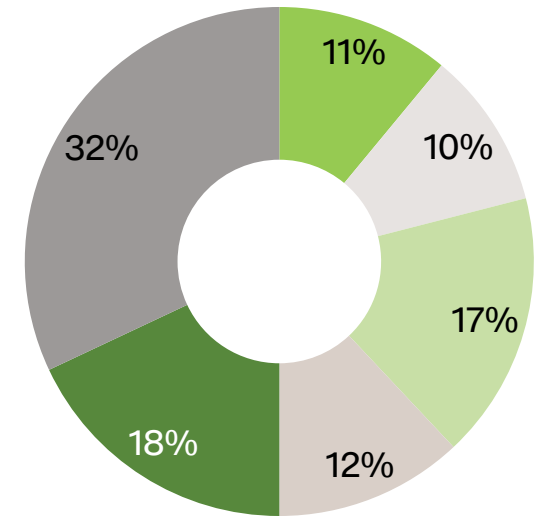
Powerful brand presence and modern asset base with an 89% franchised ownership mix\*



**Restaurants\***



**FY'25 Revenues**



**FY'25 Adj. Operating Income\*\***



\* As of 12/31/2025

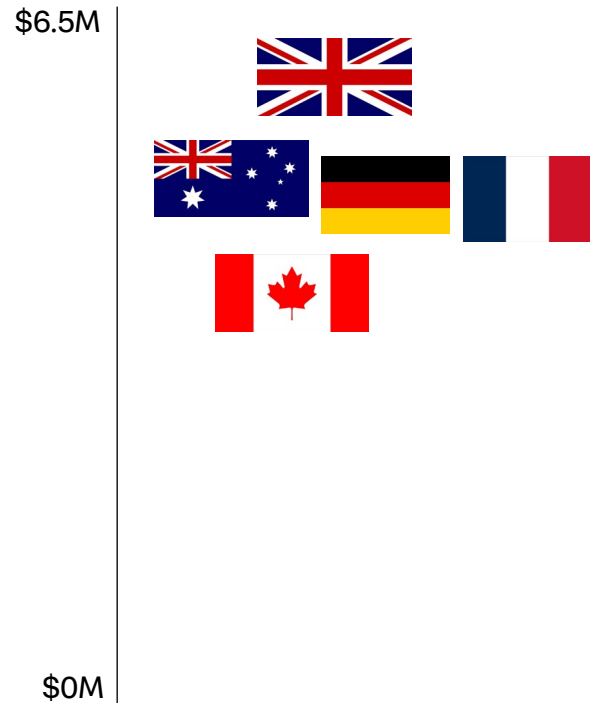
\*\* Adjusted operating income is a non-GAAP financial measure. The equivalent GAAP measure is operating income. See the reconciliations at the end of the deck and

"Important Disclaimers" for more information

# IOM Segment

High average unit volumes across markets

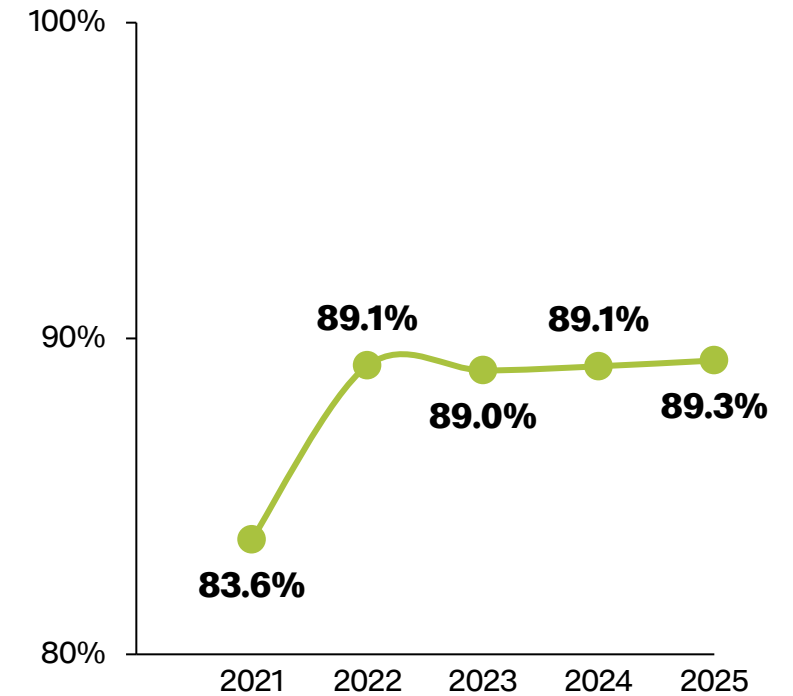
## Average Unit Volumes\* (In millions US \$)



## % Drive Thru Restaurants\*

<b>Australia</b>	85%
<b>Canada</b>	80%
<b>France</b>	80%
<b>Germany</b>	80%
<b>U.K.</b>	70%

## % Franchised Restaurants\*\*

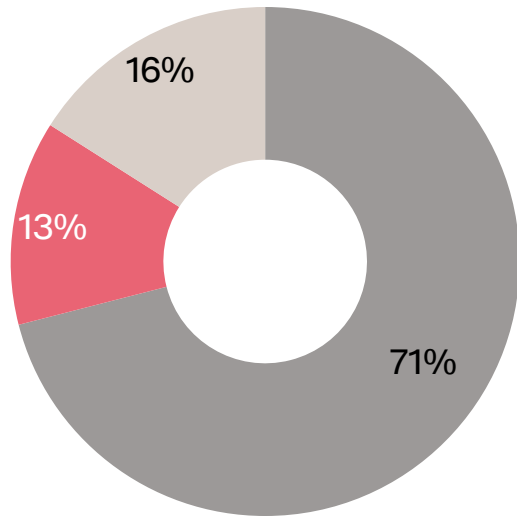


\* As of 12/31/2025

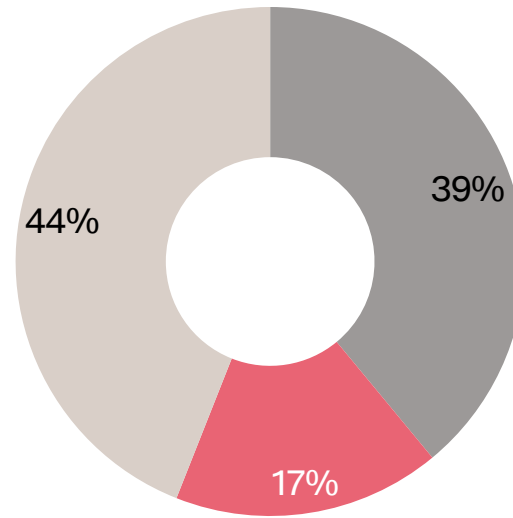
\*\* Reflects the sale of the Company's business in Russia in the second quarter of 2022 (majority of restaurants in Russia were Company-owned)

# IDL Segment

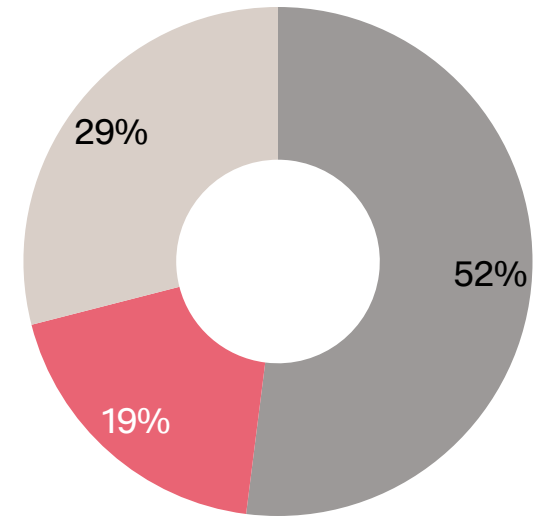
Geographically diverse segment comprised primarily of developmental licensees with a 99% franchised ownership mix\*



**Restaurants\***



**FY'25 Revenues**



**FY'25 Adj. Operating Income\*\***

■ Asia ■ Latin America ■ EMEA (Europe + Middle East)

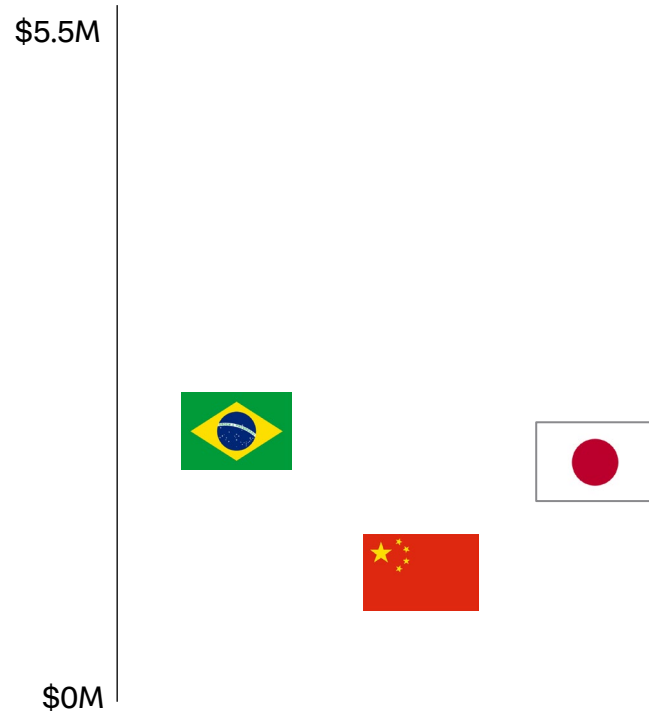
\* As of 12/31/2025

\*\* Excludes Corporate activities. Adjusted operating income is a non-GAAP financial measure. The equivalent GAAP measure is operating income. See the reconciliations at the end of the deck and "Important Disclaimers" for more information

# IDL Segment

Highly franchised segment

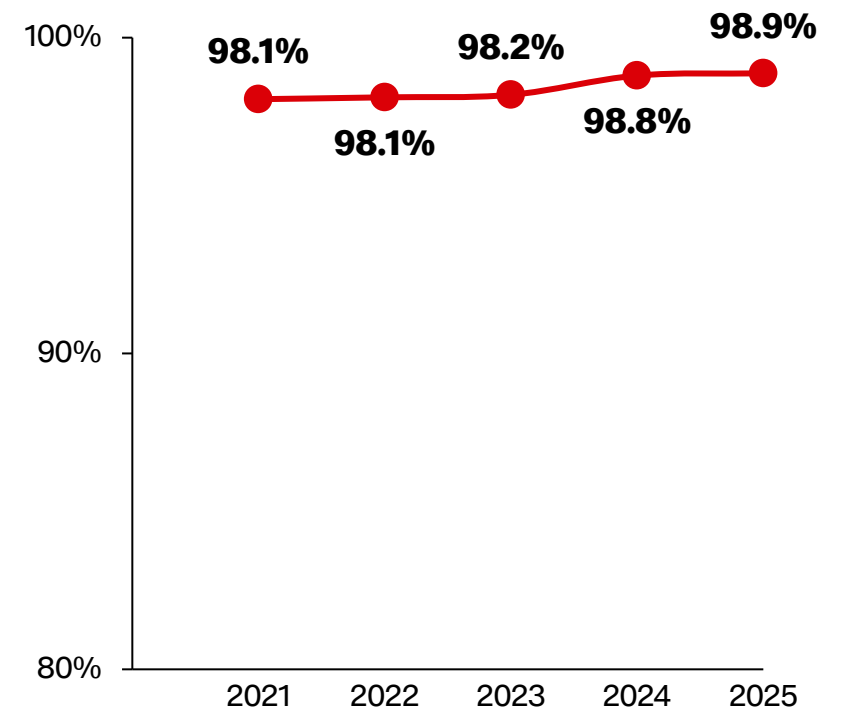
## Average Unit Volumes\* (In millions US \$)



## % Drive Thru Restaurants\*

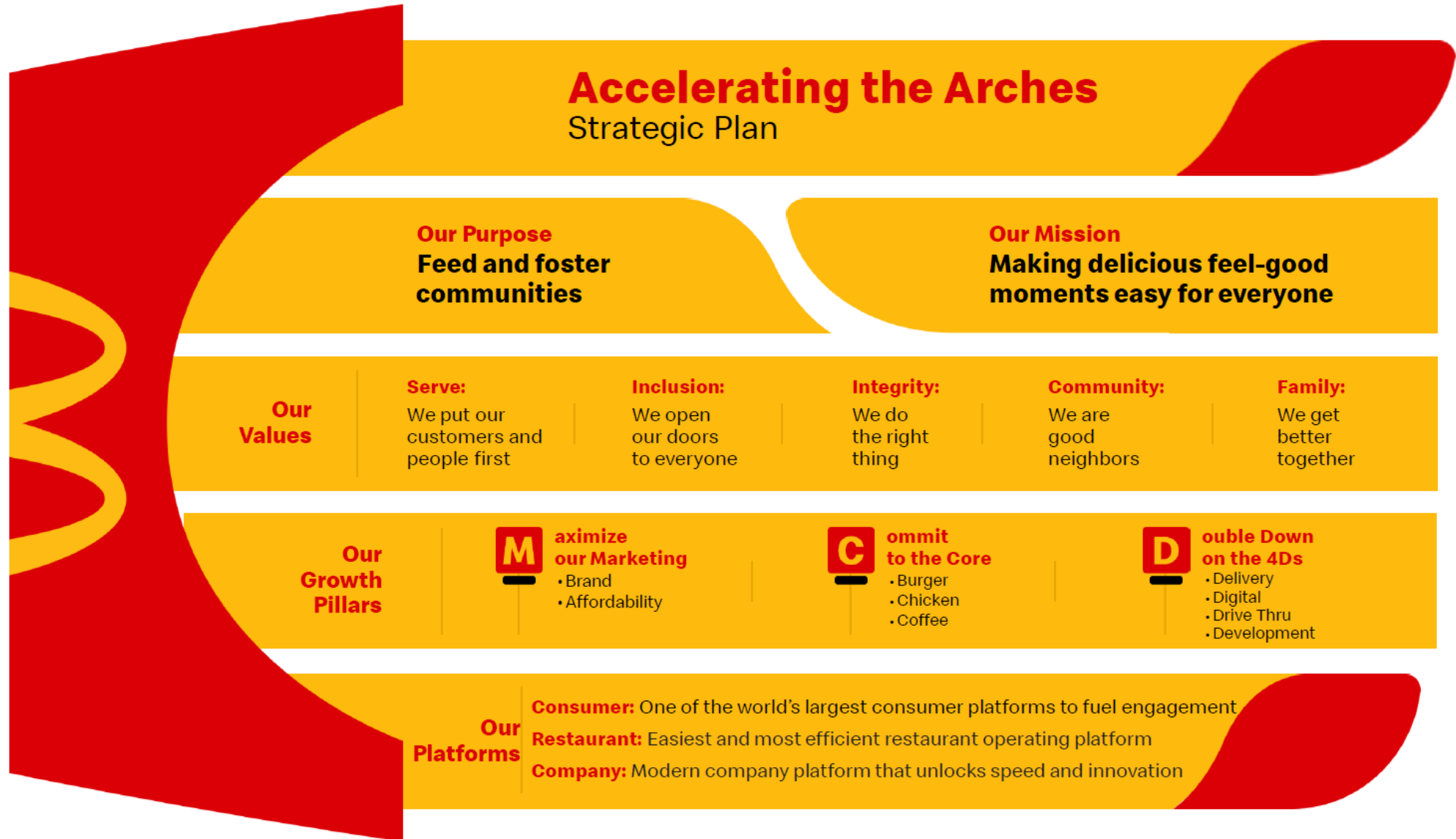
<b>Brazil</b>	55%
<b>China</b>	15%
<b>Japan</b>	55%

## % Franchised Restaurants



# Evolution of Accelerating the Arches Strategic Plan

Additions of Restaurant Development and Our Platforms



For more information on McDonald's strategy, see the [Accelerating the Arches](#) page of the McDonald's website

# McDonald's Purpose & Impact

To feed and foster communities

## Our Planet



A thriving planet is essential to our ability to **feed and foster communities**. We're taking actions that will help our business be more resilient in the future.

## Food Quality and Sourcing



**The safety and quality of our food are top priorities.** We're working toward responsibly sourcing our priority commodities, promoting animal health and welfare and making safe, quality food accessible to families across the world.

## Job, Inclusion & Empowerment



**McDonald's is, and always has been, a people business.** Guided by our values, we empower the people and communities we serve.

## Community Connection



McDonald's has a unique connection with communities around the world. **When our communities thrive, so does McDonald's.**

# McDonald's Purpose & Impact 2024 Highlights

Taking action on the issues most important to our business to help create long-term sustainable value

## Our Planet

In 2024, approximately **89.6%** of restaurants in markets with advanced infrastructure offered guests the opportunity to recycle and/or compost packaging items.

The Company **conducted a water risk assessment** of its value chain across select suppliers and franchised restaurants, in addition to Company-owned and operated restaurants, to identify water-stressed areas.

## Food Quality & Sourcing

As of the end of 2024, we **achieved our eight Broiler Welfare Commitments** across our in-scope markets.

As of the end of 2024, we **achieved our goal of phasing out the use of gestation stalls** (small, enclosed pens) for housing confirmed pregnant sows in McDonald's U.S. pork supply.

Nearly **60,000 food safety audits** were conducted at McDonald's restaurants in 2024.

## Job, Inclusion & Empowerment

The 2024 pay equity analysis showed that women globally in Company-owned and operated markets were paid **99.93 cents on the dollar** in base pay on average of what men were paid for similar work, and there was **no base pay gap disfavoring URGs in the U.S.**

As of year-end 2024, the **Archways to Opportunity®** program had awarded over **\$230 million** in tuition assistance to nearly **69,000 restaurant staff** in the US.

## Community Connection

We recommitted our investment in Chicago by **supporting a multimillion-dollar grants program**, which helps neighborhood organizations working to advance youth employment and education opportunities in the city.

The Company, along with its franchisees and customers, **donated more than \$230 million to Ronald McDonald House Charities in 2024.**

# McDonald's Values

The backbone of our Brand is a commitment to a set of core values that define who we are and how we run our business and restaurants



## Serve

We put our customers and people first



## Inclusion

We open our doors to everyone



## Integrity

We do the right thing



## Community

We are good neighbors



## Family

We get better together

McDonald's values are the filter through which all business decisions are made because **actions are bigger than words**

# Maximize Our Marketing Growth Pillar

Tapping into the rituals and memories that are already special to McDonald's fans

## Value Proposition



**Value at every tier of the menu;** providing delicious & affordable menu options is a cornerstone of the McDonald's Brand

**Meet customer needs** through everyday low-price options, affordable meal bundles, limited-time deals, and digital offers available in our mobile app

## Brand at the Center



**Fan Truths** that build on customer affinity through relatability and cultural moments

Scaling **feel good marketing** around the globe to connect with customers in authentic ways

## World Class Creative



Building brand equity by embracing **bold creative** and staying **connected to culture**

Communicating the story of our **brand, food and purpose** in creative ways that resonate with our fans

# Commit to the Core Growth Pillar

Global core menu items represent more than 60% of total sales\*

## Cultural Relevance



**Tap into customer demand for familiar favorites**, serving our iconic products that are beloved by customers like our World Famous Fries® and Chicken McNuggets®

## Global Core Menu



**17 unique brand equities with >\$1B in sales** including the Big Mac®, McCrispy® and McMuffins®

## Menu Innovation



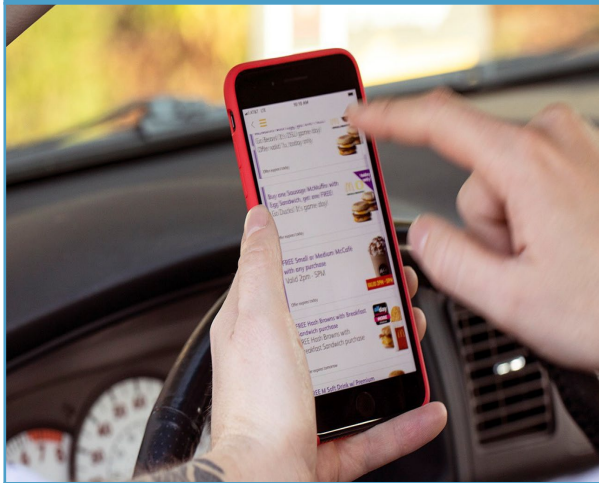
Focused on **gaining share in Chicken** by aggressively growing our chicken brands

**Scaling emerging favorites**, including McCrispy® and McSpicy®

# Double Down on the 4Ds Growth Pillar

Unlocking growth by delivering a personalized and convenient customer experience

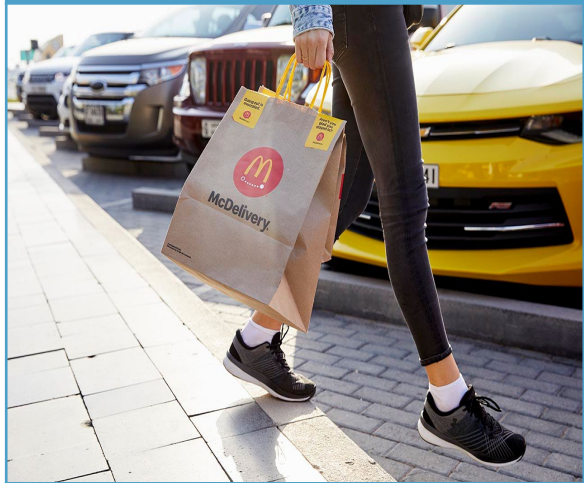
## Digital



**Loyalty** users are highly engaged, with **nearly 210M 90-day active** users in 70 markets around the world

**~\$37B** in Systemwide sales\* to loyalty members in 2025

## Delivery



**Delivery is in ~100 markets**, representing nearly 90% of restaurants

**Integrated McDelivery** within the McDonald's app

**Long-term strategic partnerships** with delivery providers

## Drive Thru



**Nearly 29K drive thru** locations globally, including >95% of U.S. locations

**Competitive advantage** in providing convenience and meeting customers' demand for flexibility & choice

## Development



**Accelerating our pace of development** to capture demand

On track to reach **50,000 restaurants by the end of 2027**, making 2024-2027 the **fastest period of restaurant unit growth** in Company history

# Foundation

Speed, accuracy, friendliness, and quality are correlated with business performance

## PACE



**Grading and consulting** program active in nearly all major markets

**Operational improvements** in several key markets driven by dedicated support at lower-performing restaurants

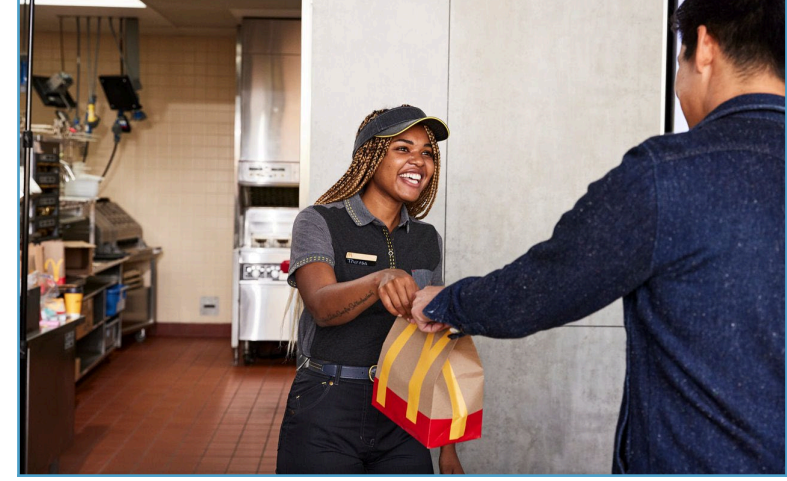
## Customer Satisfaction



**Customer satisfaction improving** across almost all markets

**Even greater ambitions** are fueled by gains in customer satisfaction and are a testament to the dedication of our restaurant teams

## Speed of Service



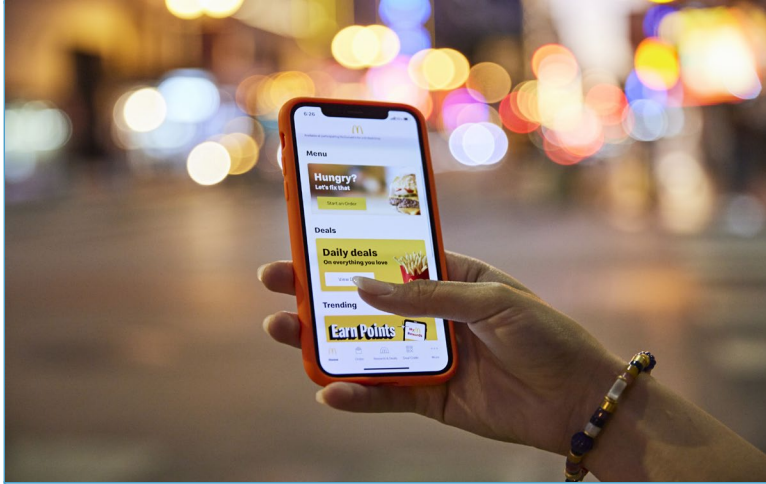
**Increasingly faster** despite a challenging labor environment

**“Ready on Arrival,”** enables crew to begin assembling a customer’s mobile order prior to their arrival at the restaurant to expedite service and elevate customer satisfaction

# Technology-Enabled Platforms

Build on our competitive advantages and unlock new growth opportunities

## Consumer



Creating **one of the world's largest consumer platforms**, which will bring together the best of our brand and utilize our physical and digital competitive advantages

## Restaurant



Building the **easiest and most efficient restaurant operating platform**, enabling franchisees to run restaurants more efficiently and make the crew's jobs easier

## Company



Building a **modern operating platform** that will **unlock speed and innovation** throughout the organization, becoming faster, more innovative and more efficient at solving problems

# Category Management

Dedicated teams to execute with greater pace and focus on what it takes to win

## Chicken



Global category that is **2x the size of Beef, and faster growing**

On track to **grow share by at least 1% by the end of 2026** (vs. Dec 2023 share)

Continuously **testing and learning** to meet the needs of consumers, crew and franchisees

## Beef



Improving classics via “**Best Burger**”; a series of operational and formulation changes designed to deliver hotter, juicier, tastier burgers

**Big Arch** delivers a delicious, more satisfying burger that meets customers’ demand for something heartier while still feeling distinctly McDonald’s

## Beverages & Desserts



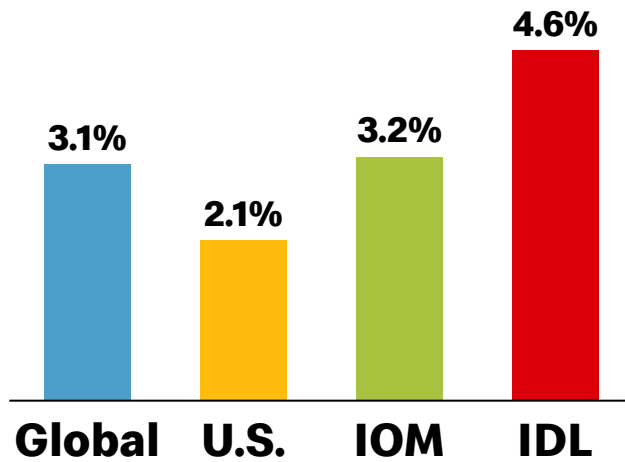
Focused on capturing share of this large and fast-growing category; **global market opportunity of >\$100 billion**

Launching **new beverage offerings** in the US and select international markets in 2026

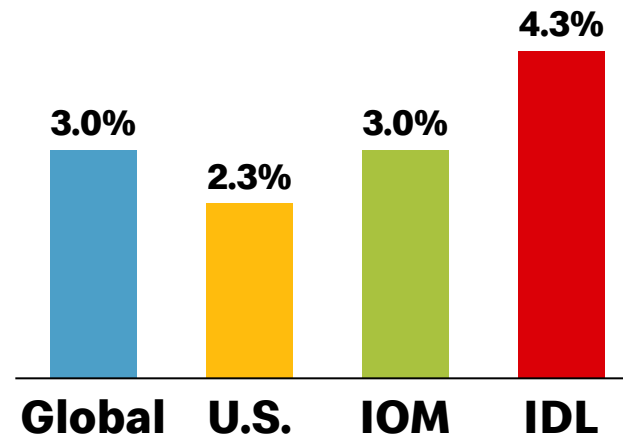
# 2025 Global and Segment Comp Sales

Driven by continued execution of the Accelerating the Arches strategy

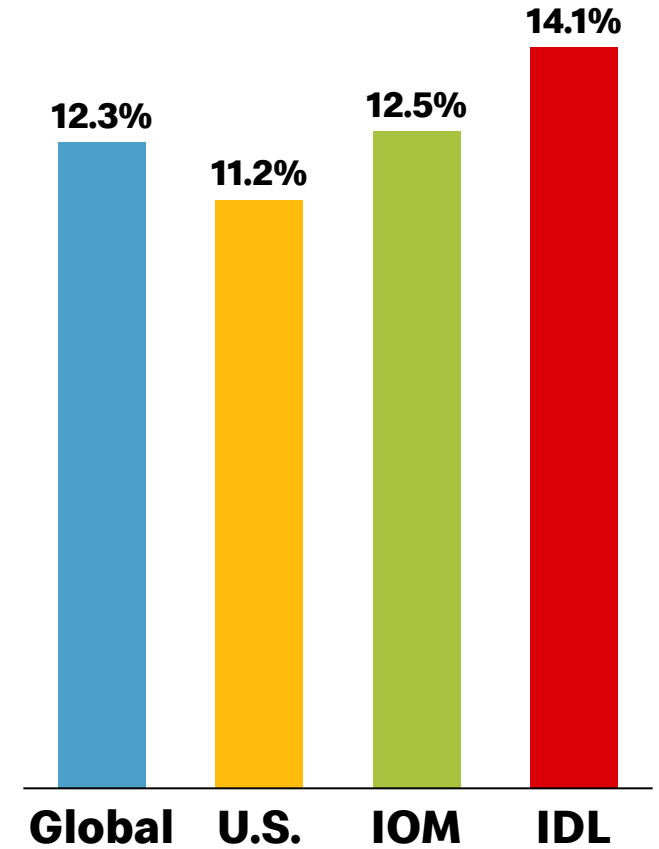
### 1-Year Comp Sales\*



### 2-Year Comp Sales Stack\*\*



### 3-Year Comp Sales Stack\*\*\*

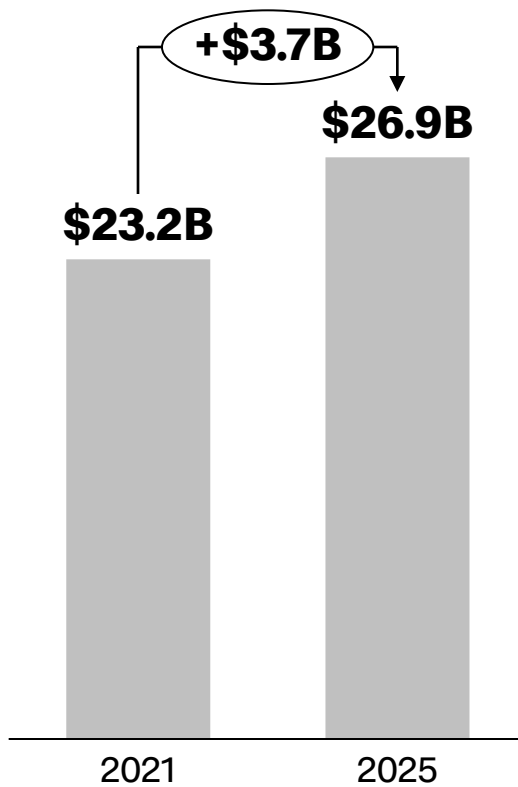


\* Reflects growth over the prior year; \*\* Reflects growth over FY'23; \*\*\* Reflects growth over FY'22

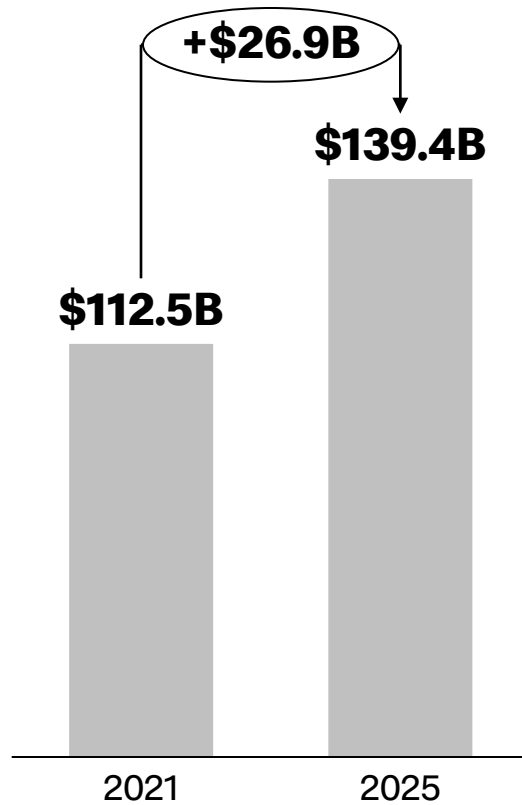
# 2025 Global Financial Overview

Strong growth over the last 5 years is a testament to the resilience of the business

## Total Revenue



## Systemwide Sales\*



## Other Financial Metrics

### Franchised Revenue % of Franchised Sales\*\*

US	14.2%
IOM	17.2%
IDL & Corp	5.4%

Global Franchised Margin	84.2%
--------------------------	-------

Global McOpCo Margin	14.7%
----------------------	-------

Global G&A % of Systemwide Sales*	2.2%
-----------------------------------	------

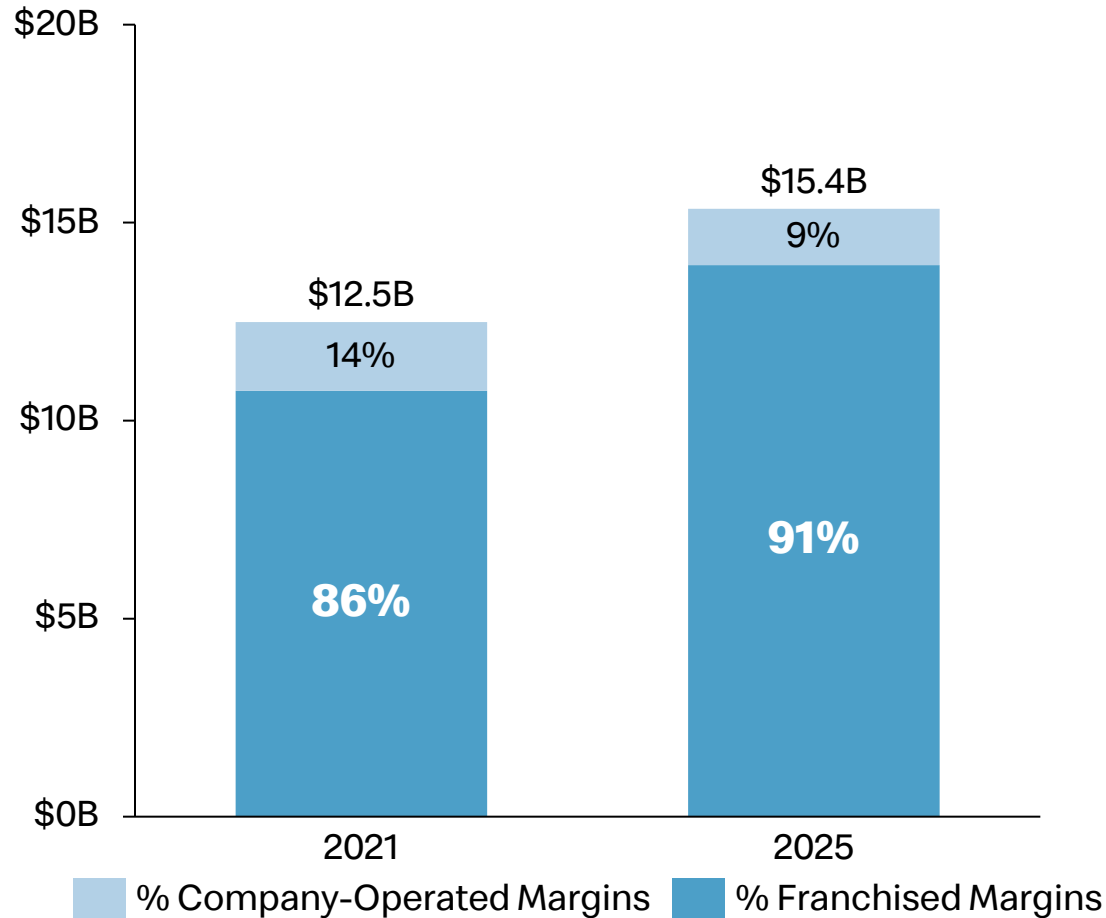
Free Cash Flow Conversion*	83.9%
----------------------------	-------

\* Systemwide sales and free cash flow conversion are non-GAAP financial measures. There are no directly equivalent GAAP measures. See the calculation for free cash flow conversion at the end of the deck and "Important Disclaimers" for more information. \*\* Calculated as: Franchised Revenues divided by Franchised Sales for the segment

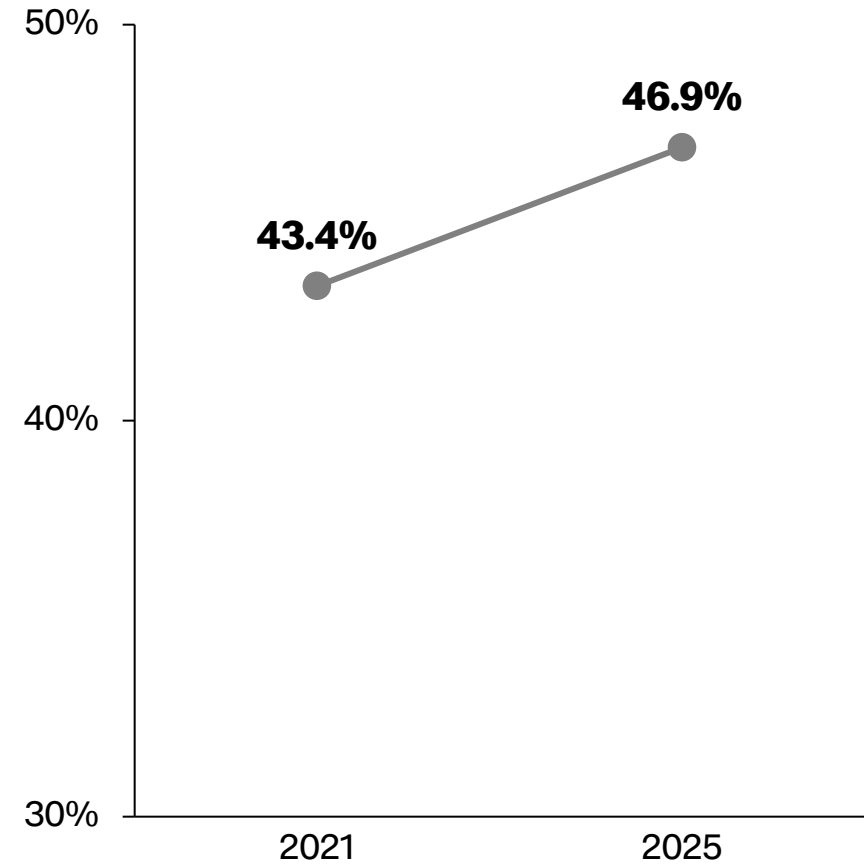
# Adjusted Operating Margin\*

Franchise margin represented ~90% of margin dollars in 2025, driving continued business model stability

### Total Restaurant Margin \$s



### Adjusted Operating Margin %\*



\* Adjusted operating margin is a non-GAAP financial measure. The equivalent GAAP measure is operating margin. See the reconciliations at the end of the deck and "Important Disclaimers" for more information

# Capital Allocation Philosophy

Optimize and prioritize returning free cash flow to shareholders

## Invest in the Business



**Invest** in opportunities to **grow the business** and **drive strong returns**, including capital expenditures and investments in technology, digital, and our Global Business Services (GBS) organization

## Payout Dividends



### **Prioritize the Dividend**

49 consecutive years of dividend increases

## Repurchase Shares

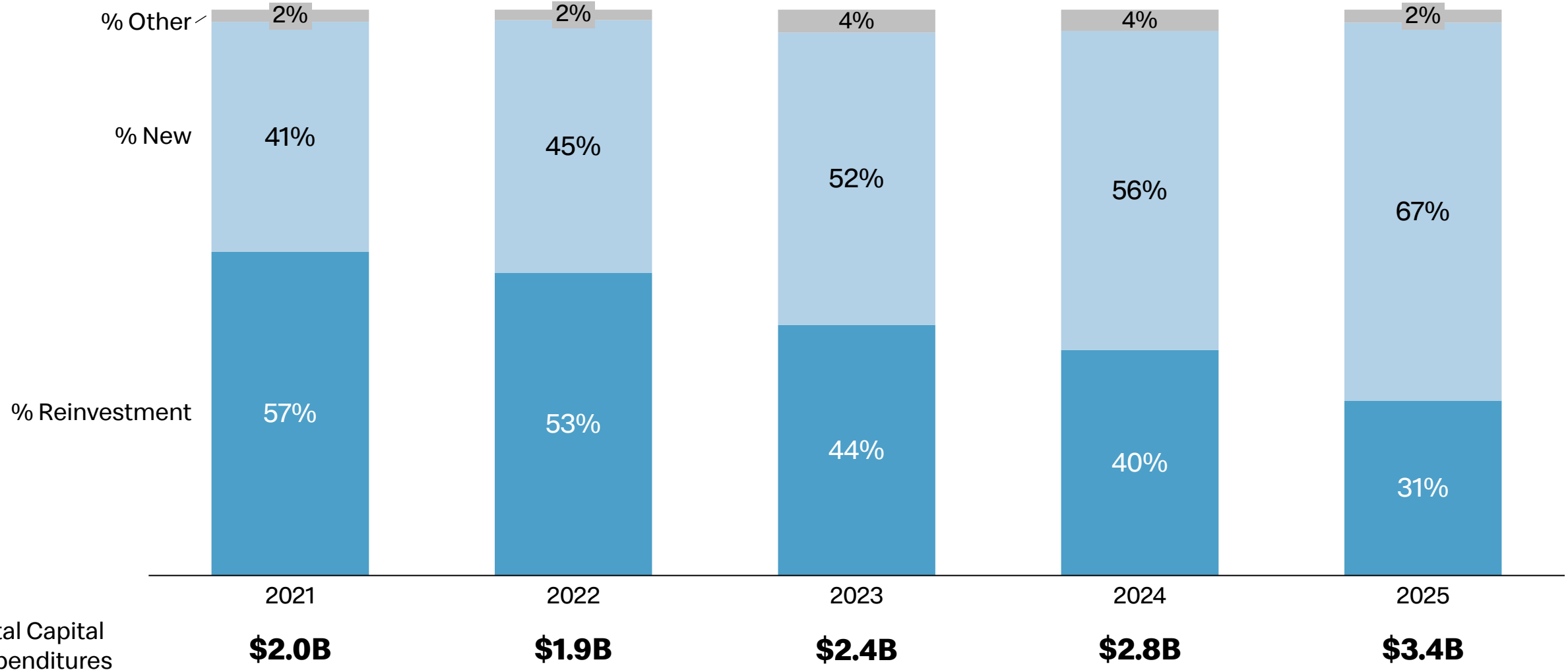


**Repurchase shares** with remaining free cash flow over time

Maintain a **strong balance sheet** while repurchasing shares

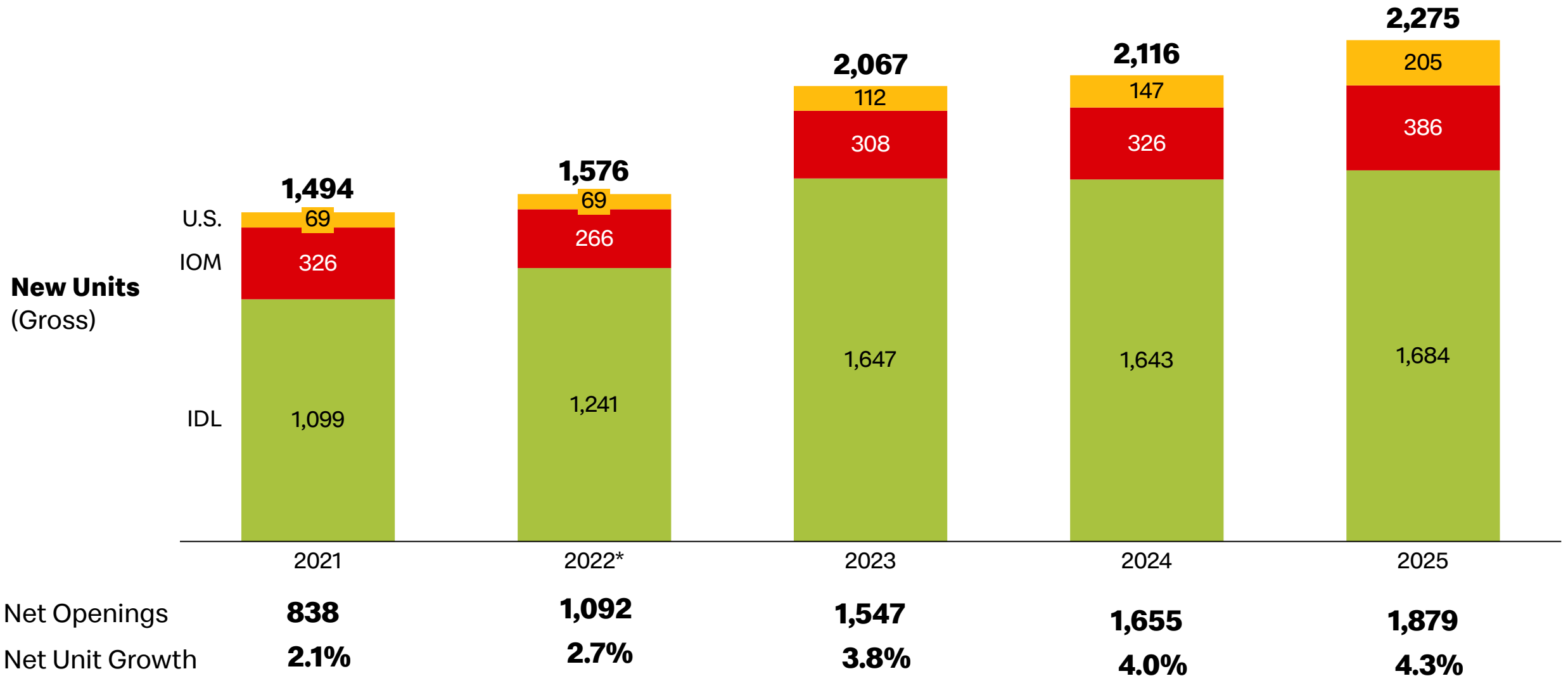
# Capital Expenditures

Shift in capital expenditures from reinvestment to new units



# Restaurant Openings

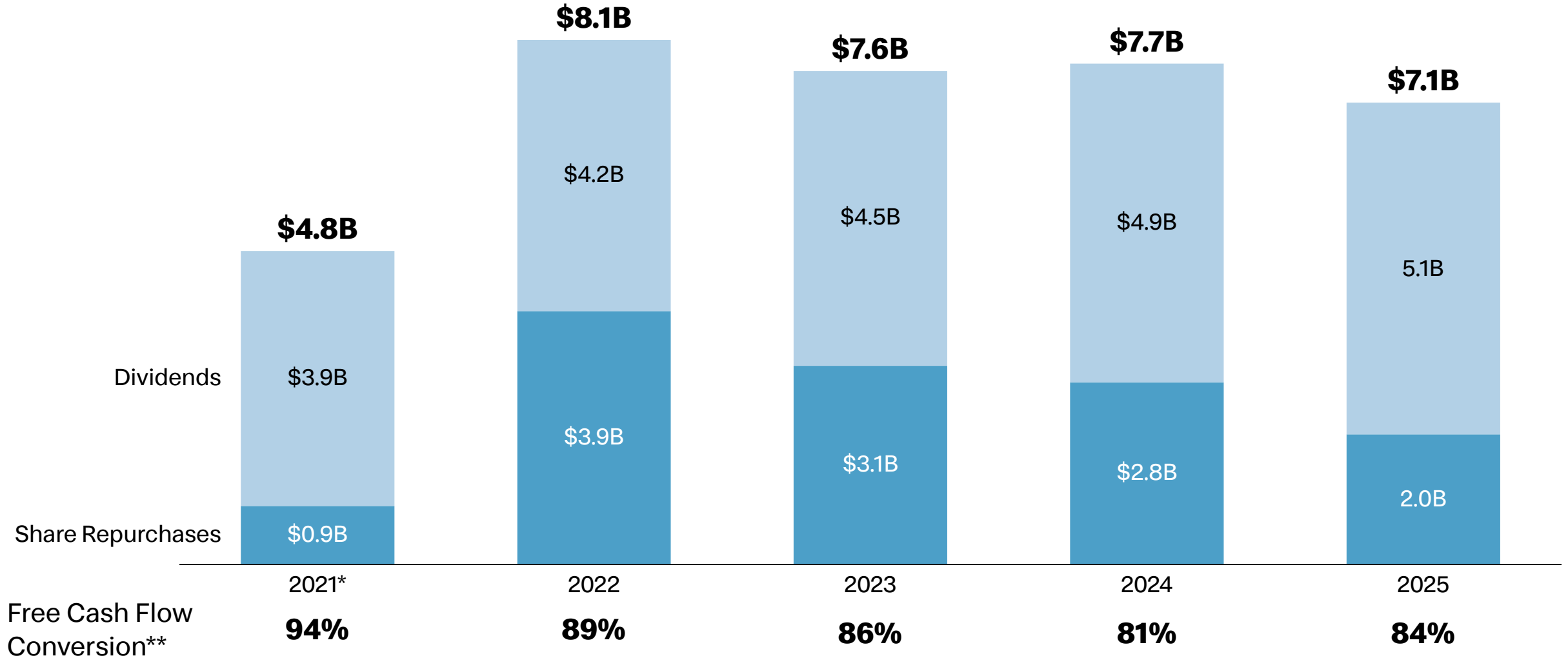
The pace of restaurant openings has increased



\* Excludes the sale of the Company's business in Russia in the second quarter of 2022

# Cash Returned to Shareholders

Consistently returned cash to shareholders via dividends and share repurchases over time

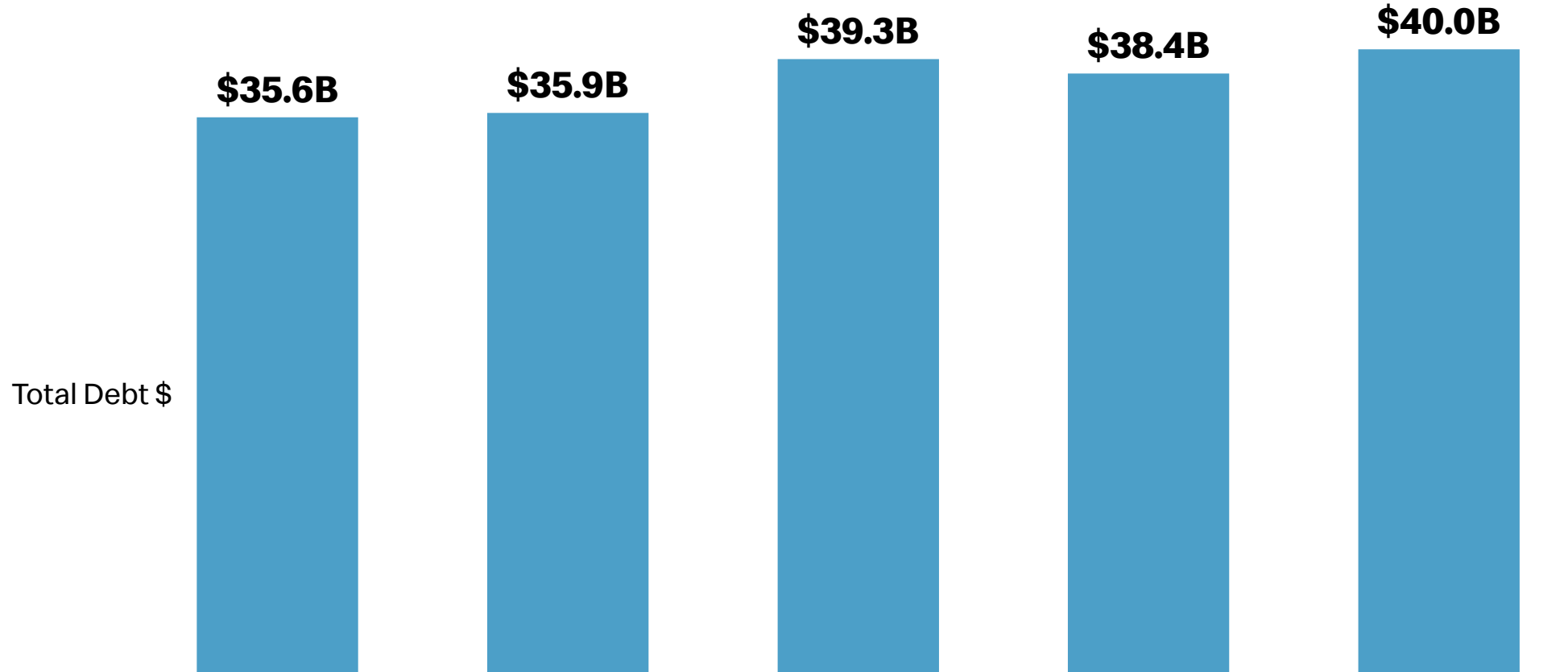


\* Paused share repurchases March 2020 – September 2021    \*\* Free cash flow conversion is a non-GAAP financial measure. There is no directly equivalent GAAP measure.

See the calculation at the end of the deck and "Important Disclaimers" for more information.

# Capital Structure

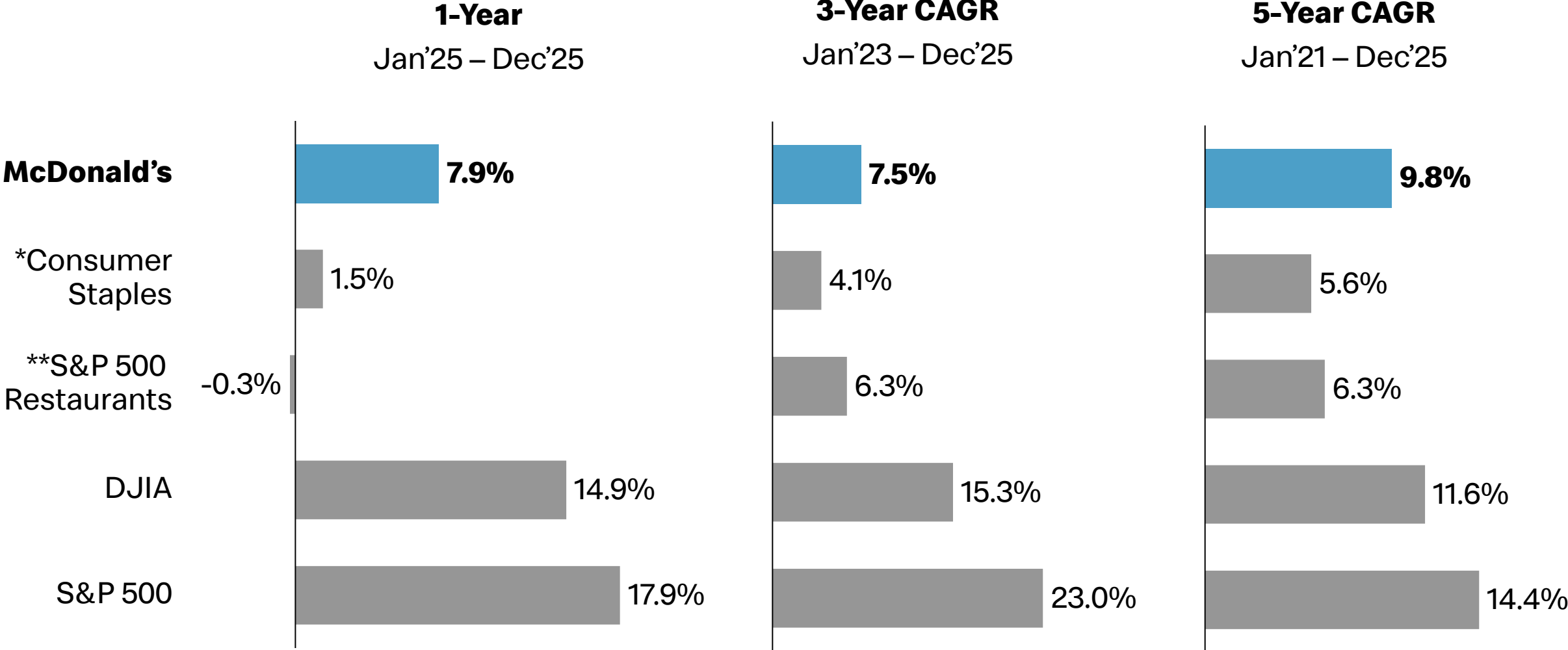
Maintaining a strong investment grade credit rating



Total Debt \$

	2021	2022	2023	2024	2025	
Debt/EBITDA	<b>3.0x</b>	<b>2.9x</b>	<b>2.8x</b>	<b>2.7x</b>	<b>2.7x</b>	
Moody's Rating	<b>Baa1</b>	<b>Baa1</b>	<b>Baa1</b>	<b>Baa1</b>	<b>Baa1</b>	<b>Stable Outlook</b>
S&P Rating	<b>BBB+</b>	<b>BBB+</b>	<b>BBB+</b>	<b>BBB+</b>	<b>BBB+</b>	<b>Stable Outlook</b>

# Total Shareholder Return Performance History



\* Reflects XLP ETF performance

\*\* Reflects S&P 500 Restaurants Sub Industry Index performance

# Outlook\*

Based on current conditions, the following is provided to assist in forecasting the Company's future results:

- The Company expects **net restaurant unit expansion** will contribute approximately 2.5% to 2026 Systemwide sales\*\* growth, in constant currencies
- The Company expects full year 2026 **Selling, general and administrative expenses** of about 2.2% of Systemwide sales\*\*
- The Company expects 2026 **operating margin** percent to be in the mid-to-high 40% range
- Based on current interest and foreign currency exchange rates, the Company expects **interest expense** for the full year 2026 to increase between 4% and 6% driven primarily by higher average interest rates
- The Company expects the **effective income tax rate** for the full year 2026 to be between 21% and 23%. Some volatility may result in a quarterly tax rate outside of the annual range
- The Company expects 2026 **capital expenditures** to be between \$3.7 and \$3.9 billion, with the majority directed towards new restaurant unit expansion across the U.S. and International Operated Markets. Globally, the Company expects to open approximately 2,600 restaurants in 2026, with about 750 restaurants opening in the U.S. and International Operated Markets, and developmental licensees and affiliates contributing capital towards more than 1,800 restaurant openings in their respective markets. The Company expects approximately 2,100 **net restaurant additions** in 2026. The Company also expects a sequential increase in capital expenditures of about \$300 million to \$500 million for 2027, targeting 50,000 global units by the end of 2027
- The Company expects to achieve a **free cash flow conversion**\*\* rate in the low-to-mid 80% range for 2026

\* Excerpted from the Company's Form 10-K filed on February 24, 2026; see "Important Disclaimers"

\*\* Systemwide sales and free cash flow conversion are non-GAAP financial measures. There are no directly equivalent GAAP measures. See the calculation for free cash flow conversion at the end of the deck and "Important Disclaimers" for more information

# Appendix: GAAP Reconciliations

Management believes adjusted operating income and adjusted operating margin are important in understanding the financial performance of the Company

<b>Adjusted Operating Income &amp; Adjusted Operating Margin</b> (dollars in millions)		
	<b><u>2025</u></b>	<b><u>2021</u></b>
Operating income	\$12,393	\$10,356
Strategic charges	\$229	\$54
Gain on sale of MCD Japan shares	\$-	(\$339)
Adjusted operating income	<u>\$12,621</u>	<u>\$10,071</u>
Total revenues	<u>\$26,885</u>	<u>\$23,223</u>
Adjusted operating margin	<u>46.9%</u>	<u>43.4%</u>

# Appendix: GAAP Reconciliations

Management believes free cash flow and free cash flow conversion are important in understanding the financial performance of the Company

<b>Free Cash Flow &amp; Free Cash Flow Conversion</b>					
<b>(dollars in millions)</b>					
	<b><u>2025</u></b>	<b><u>2024</u></b>	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
Cash provided by operations	\$10,551	\$9,447	\$9,612	\$7,387	\$9,142
Less: Capital expenditures	\$3,365	\$2,775	\$2,357	\$1,899	\$2,040
Free cash flow	\$7,186	\$6,672	\$7,255	\$5,488	\$7,102
Net income	\$8,563	\$8,223	\$8,469	\$6,177	\$7,545
Free cash flow conversion	83.9%	81.1%	85.7%	88.8%	94.1%

